

# Maurice Hinchey NEWS

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### **BUSH SQUANDERS BUDGET SURPLUS, HINCHEY CHARGES**

KINGSTON - U.S. Representative Maurice Hinchey (D-NY) today reiterated his strong criticism of the Bush Administration for enacting a massive tax cut that has erased the large federal budget surpluses previously projected. Hinchey spoke at a press conference he called in reaction to a Congressional Budget Office report released last week.

"The circumstances we now find ourselves in were entirely predictable," said Hinchey. "For months I've been warning that the administration's projections were too optimistic and that this irresponsible tax cut would drastically compound the economic downturn. Now we have the proof. President Bush spent money we didn't have on a tax cut for rich people."

The CBO report confirms that the \$125 billion surplus in the federal budget outside of the Social Security and Medicare trust funds has been completely eliminated, mostly because of the tax cut the president and Republican congressional leaders pushed through earlier this year. Approximately one-third of the tax cut went to the wealthiest one percent of Americans.

According to the non-partisan CBO, the government must divert \$30 billion from the Social Security trust fund and \$170 billion from the Medicare trust fund over the next five years. This year alone, the government must tap \$9 billion from Social Security and \$29 billion from Medicare to fund routine government operations. President Bush had pledged earlier in the year that every dollar of Social Security and Medicare tax revenue would be reserved for those two programs.

"As bad as the CBO projections are, the real situation is even worse since CBO does not take into consideration additional spending that's already included in the president's budget and the congressional budget resolution, much less the cost of things like extending expiring tax credits or responding to natural disasters," Hinchey added. "The Bush tax cut has left us with insufficient funds with which to run the government and has doomed the prospects for important new initiatives like adding a prescription drug benefit to Medicare. Meanwhile, the increased costs of not paying down the debt will be felt by everyone who needs to take out long-term loans. It's time for President Bush, the Republican leadership and everyone who voted for the cut to admit they made a mistake."